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BEFORE THE ARIZONA CORPORATION COMMISSION

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Chairman

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Commissioner

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Commissioner

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Commissioner

KRISTIN K. MAYES
Commissioner

Arizona Corporation Commission

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IN THE MATTER OF THE
APPLICATION OF BLACK
MOUNTAIN SEWER
CORPORATION, AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE FAIR
VALUE OF ITS UTILITY PLANT
AND PROPERTY AND FOR
INCREASES IN ITS RATES AND
CHARGES FOR UTILITY SERVICE
BASED THEREON.

DOCKET NO: SW-02361A-05-0657

NOTICE OF ERRATA

On August 21, 2006 Black Mountain Sewer Corporation ("Black Mountain") filed its closing brief, with the final schedules of Thomas J. Bourassa attached as Brief Exhibit 1. Black Mountain hereby submits a more reader-friendly version of Final Schedule A-1, which is attached to this Notice of Errata as Exhibit A and should replace the Final Schedule A-1 that was filed on August 21, 2006.

DATED this 1st day of September, 2006.

FENNEMORE CRAIG, P.C.

By

Jay L. Shapiro

Patrick Black

3003 North Central Avenue, Suite 2600

Phoenix, Arizona 85012

Attorneys for Black Mountain Sewer Corporation.

1 ORIGINAL and thirteen (13) copies of the
2 foregoing were delivered
3 this 1st day of September, 2006, to:

3 Docket Control
4 Arizona Corporation Commission
5 1200 W. Washington St.
6 Phoenix, AZ 85007

5 COPIES hand delivered this 1st
6 day of September, 2006 to:

7 Dwight D. Nodes
8 Administrative Law Judge
9 Arizona Corporation Commission
10 1200 W. Washington St.
11 Phoenix, AZ 85007

10 Keith Layton
11 Staff Counsel
12 Legal Division
13 Arizona Corporation Commission
14 1200 W. Washington St.
15 Phoenix, AZ 85007

13 Daniel Pozefsky, Esq.
14 Residential Utility Consumer Office
15 1110 W. Washington, Suite 220
16 Phoenix, AZ 85007

16 And a copy mailed this 1st
17 day of September, 2006 to:

17 Boulders Homeowners Association
18 Robert E. Williams
19 P. O. Box 2037
20 Carefree, AZ 85377

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22 Scottsdale, AZ 85262

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26 Scottsdale, AZ 85254

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26 1831042.1/16040.031

Exhibit A

Black Mountain Sewer Company
Test Year Ended December 31, 2004
Computation of Increase in Gross Revenue
Requirements As Adjusted

Exhibit
Final Schedule A-1
Page 1
Witness: Bourassa

Line

No.

1	Fair Value Rate Base	\$	1,568,502
2			
3	Adjusted Operating Income		11,595
4			
5	Current Rate of Return		0.74%
6			
7	Required Operating Income	\$	172,535
8			
9	Required Rate of Return on Fair Value Rate Base		11.00%
10			
11	Operating Income Deficiency	\$	160,940
12			
13	Gross Revenue Conversion Factor		1.5911
14			
15	Increase in Gross Revenue		
16	Requirement	\$	256,065
17			
18	% Increase		21.24%

20	Customer	Present	Proposed	Dollar	Percent
21	Classification	Rates	Rates	Increase	Increase
22	<u>(Residential Commercial, Irrigation)</u>				
23					
24	Residential	\$ 768,816	\$ 933,504	\$ 164,688	21.42%
25	Commercial (Standard Rate)	312,725	379,720	66,995	21.42%
26	Commercial (Special Rate)	81,967	99,528	17,561	21.43%
27	Effluent Sales	14,498	17,604	3,106	21.42%
28					
29	Annualization	17,328	21,040	3,712	21.42%
30	Book to Bill Count Difference	(4,066)	(4,066)	-	0.00%
31	ACC Assessment	(2,288)	(2,288)	-	0.00%
32	Subtotal	\$ 1,188,980	\$ 1,445,043	\$ 256,063	21.54%
33					
34	Other Wastewater Revenues	16,472	16,472	-	0.00%
35				-	0.00%
36				-	0.00%
37	Total of Water Revenues	\$ 1,205,452	\$ 1,461,515	\$ 256,063	21.24%

38
39 Book to Bill Count Difference
40
41
42

43
44 SUPPORTING SCHEDULES:

45 Final B-1
46 Final C-1
47 Final C-3
48 Final H-1
49